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THE CHARGES AGAINST HON. ISAAC TOUCEY, SECRETARY OF THE NAVY.

An effort has been and is now being made to impugn the official and personal integrity of Isaac Toucey, for the purpose of affecting the election which is to take place in Connecticut in April next. A committee of investigation was appointed a few weeks since, upon the motion of Hon. John Sherman, a violent republican member of Congress from Ohio, for the purpose of investigating certain charges in regard to the management of affairs in the navy yards, the making of contracts for machinery, &c. Mr. Speaker Orr appointed this committee, consisting of five members of the House of Representatives, AND OF THESE FIVE MEMBERS OF THE COMMITTEE THREE WERE OPPONENTS OF THE DEMOCRATIC PARTY.

If there was any foundation for the charges against Mr. Toucey *would not the opponents of the democratic party, who had control of the committee*, have said so? Most certainly they would. Instead of asserting anything of the kind, the *majority* of the committee reported the following resolution:

"*Resolved*, That nothing has been proven in this investigation which impeaches, in any way, the personal or official integrity of the Secretary of the Navy."

The chief point which the committee were called upon by the resolution of the House to investigate was the letting of contracts for machinery, &c., for the vessels-of-war. The charge of a want of integrity on the part of Secretary Toucey on this point is thus disposed of by the committee:—

"*Resolved*, That in the letting of the contracts for the construction of the steam machinery for the vessels of the navy, during the present administration, nothing has been shown which calls for the interposition of the Congress of the United States; but it is manifest that the present head of the Navy Department has displayed a very laudable zeal to secure the greatest amount of speed and efficiency attainable for said vessels."

Another charge which has been published time and time again through the republican papers of Connecticut and elsewhere is, that the navy yards at Brooklyn and Philadelphia were stuffed with fifteen or sixteen hundred extra men each about one week before the elections in New York and Pennsylvania, all of which men were discharged immediately after said elections. The investigating committee give the lie to this unfounded charge in the following emphatic language:

"Mr. Crabbe, the clerk of the Philadelphia yard, testifies that at that place the number of men was greater after the election than before.

"The official statement of the number of men at the different yards does not sustain the allegation that the yards were stuffed with a view to the election. In New York the greatest number of men in the yard coincided with the time of the State and congressional election. In Philadelphia the election occurred during the first half of October, while the greatest number of men were employed there in the latter part of that month. It so happens that the greatest number of men in other yards, viz: in Portsmouth, Boston, Washington, Norfolk, and Pensacola, were employed also in the months of September, October, and November, 1858, about the same time as in New York and Philadelphia. But in none of these States was there any election in the fall of 1858, except perhaps in Florida. It will not be contended that the yards were stuffed in New Hampshire, Massachusetts, and Virginia, to affect the elections in Pennsylvania and New York."

In regard to the contemptible insinuation that Mr. Toucey has taken advantage of his official position to give contracts for coal unfairly to his own relatives, the committee report as follows:

"Certainly nothing appears in the action of the Secretary of the Navy to condemn. Mr. Beach, of the firm of Tyler, Stone & Co., was, it is true, his wife's nephew—a connexion rather too remote to overcome by its influence any but a very weak morality; and in the absence of all proofs to show that he had any agency, direct or indirect, in securing for that firm the chief supply of coal, or, in fact, that he ever knew of that arrangement, he is entitled to the full benefit of his own denial, sustained, as it is, by Dr. Hunter's sworn declaration that Mr. Toucey never made any intimation, direct or indirect, to him as to the persons of whom he should purchase, and that nothing ever occurred between them on the subject.

"The rate of compensation allowed was precisely the same which had been allowed by Mr. Fillmore's administration for the first agent, viz: five per cent. on the coal purchased and on inland freights. The testimony of Mr. Springer, who was the first agent, will best sustain this declaration:

"Question. How was your compensation fixed?
"Answer. At five per cent.
"Question. Upon what?
"Answer. Upon the price of coal and freight. I took up all vessels and superintended them."

Such are the views of a majority of the investigating committee, and now we ask the honest people of Connecticut who are above party tricks and subterfuges to vindicate the honor of her distinguished son, Isaac Toucey, whose name will shine upon the pages of our country's history long after his defamers and persecuters have sunk into oblivion.

We append a letter from Isaac Toucey to the investigating committee in answer to the charges which were brought against him, and ask for it an attentive perusal, feeling assured that no man can read it without having a better and more exalted opinion of this distinguished man.

Communication from Hon. Isaac Toucey to the Committee.

NAVY DEPARTMENT,
February 14, 1859.

SIR: I have received your letters of the 8th and 9th instant, with copies of certain testimony, and an expression of the desire of the committee over which you preside to receive from me any statement or information in regard to it which I may wish to present. I now comply with the request, and first with reference to the contracts for live-oak timber, made under the advertisement of June 14, 1858.

No live-oak timber had been purchased by advertised contract for the last sixteen years, excepting in these instances:

1st. A contract made September 12, 1848, for 11,000 cubic feet.

2d. A contract made in September, 1855, for the frames of six large sloops-of-war, cut to moulds to replace that which had been taken for the six large steam frigates built in 1855, of which two have since been used for the sloops-of-war "Lancaster" and "Pensacola," authorized in 1857, and the other four can only be used for ships of that class.

3d. The want of additional quantities of live oak having been repeatedly urged by the Bureau of Construction, the department, on the 1st of July, 1857, authorized a contract to be made for such timber as would replace in part what had been taken from the complete frames of ships-of-the line and frigates, which the wants of the service had made it necessary to break in upon, and also to provide crooked timber suitable for the repairs of vessels of the larger classes, of which the supply was wholly insufficient.

For several years past the repairs on the sloops-of-war and smaller vessels have been very great, and have gradually absorbed the best and the most of the small size timber, and the want of that timber was every day becoming more apparent. Thus, this kind of timber being absolutely wanted, it became advantageous and economical to purchase that which had been refused on the existing contracts for being below the contract size, rather than to cut the larger and more valuable pieces that remained of the old stock, or that was then coming in on the new contracts. So great was the want of this smaller timber, that it had been used to a considerable extent in the Norfolk and Kittery yards, in the latter to the amount of $3,972 47, before authority was obtained in proper form to make the purchase, the officers in those yards believing that the public interests warranted

that course. And so great was the deficiency of live-oak timber in the navy yard at Pensacola, that there is not now a stick of that kind in the yard which has not been purchased since.

While this deficiency of timber in the navy yard was known to exist, reliable information was received in the month of May last that the British government had revived the pretended right of search, and that the British cruisers were exercising it upon the merchant vessels of the United States in the neighborhood of Cuba. This information created great excitement throughout the country. It is only necessary to refer to the warlike debates in both Houses of Congress to appreciate its extent. To resist the exercise of this right, a fleet of twelve war vessels was fitted out and despatched to the neighborhood of Cuba, with instructions given them from time to time, between the 14th of May and the 15th of June, to protect all vessels of the United States against the exercise of the right of search on the high seas, in time of peace, by the armed vessels of any other power. These instructions would probably have produced a collision, had not the right been abandoned by the British government. While this was going on, Congress, on the 12th of June, passed an act requiring the Secretary of the Navy to cause to be constructed "*as speedily as may be consistent with the public interests,*" eight war steamers of light draught, "combining the heaviest armament and greatest speed compatible with their character and tonnage." On the 3d of July orders were given to all the navy yards that they should be launched by the next meeting of Congress, and that nothing should be permitted to prevent it.

By the same act Congress made an appropriation to defray the expenses and compensation of a special commissioner in execution of the joint resolution passed on the 3d of June, authorizing the use of force if necessary, "for the adjustment of difficulties with the republic of Paraguay." Independent of this resolution, the President determined to act promptly, and measures were taken to increase the squadron on the east coast of South America, so that it should consist of twenty armed vessels, including two store ships, most of them to be fitted for the purposes of the expedition.

In this threatening posture of affairs, with the public mind excited by the revival of the pretended right of search, with no certainty that the attempt to suppress it would not bring us into collision with Great Britain, with a squadron of twelve ships in the vicinity of Cuba to resist it, with a larger squadron of twenty ships to be prepared and concentrated in the direction of Paraguay, and with eight war steamers of the smaller classes to be constructed, according to the injunction of Congress, as speedily as might be consistent with the public interests, I deemed it my duty, upon consultation with the chief of the Bureau of Construction and Repair, to meet the exigencies of the service by promptly directing, on the day of the adjournment of Congress, June 14, that an advertisement be issued calling for a supply, in as short a time as practicable, of live-oak timber, most of it of smaller dimensions than had been usually required, such as was adapted to the construction of the smaller vessels just authorized by Congress, and to the extensive repairs both of large and small

vessels which the exigencies of the service would be likely to require. I would have resigned my place before I would have failed to act with the promptitude which the occasion seemed to demand. The list was made out by the chief of the Bureau of Construction according to his own judgment of what the interests and necessities of the service required, without interference by me in its details, and the advertisement was issued on the 14th of June, calling for one-half on the 1st of September and the other half on the 1st of February following, giving to bidders two and a half months' notice to make contingent arrangements for the first delivery, and seven and a half months' notice for the other. The time allowed in the advertisement for this timber was sufficient for persons who were actual dealers in such timber, and who in making offers intended to comply with them, or were in any degree prepared, but was much too short for any speculator who had it in view to dispose of his contract to other parties. These were the reasons which influenced the department in the exercise of its discretion in this particular case, and when the contracts were executed, I was assured by the experienced officer in charge of the Bureau of Construction and Repair that the measure had proved highly economical and beneficial to the government, saving to it probably about twenty-five thousand dollars beyond what could have been accomplished by an open purchase.

After the contracts had been awarded to the lowest bidders, a question arose to which I applied the principle of a decision I had previously made, viz: that when the department advertised for a contract upon certain terms, and one of the bidders applied to a subordinate officer and obtained assurances of more favorable terms at variance with those advertised, and regulated his bid accordingly, the department would enforce the advertisement and not the assurances of the subordinate, and the assurances thus obtained would constitute no ground of relief, because unfair to other bidders. When, therefore, it appeared that those to whom the contracts were awarded had neither performed them nor intended to perform them when they bid, but had acted upon information or assurances obtained at the navy yards from subordinate officers at variance with the terms of the advertisement, the department set aside the forfeited contracts, and instead of purchasing or contracting in open market or of the next highest bidder and charging the difference to the defaulting parties, accepted a contract with Mr. Swift for the whole amount at the lowest bid, which was much lower than the bids which he had made, thereby saving the defaulting contractors from loss, securing the best terms for the government, and requiring him to accept as low a price for the timber, to be delivered immediately, as if time had been given to go into the live-oak forests of Florida or Louisiana to cut it. The department did not advise any one of the contractors as to the course he should pursue, but apprised them, unequivocally, at all times, that the time of delivery as advertised would not be postponed, for the reasons I have stated.

When I came into the department I found a system established which commenced during the administration of Mr. Fillmore, of purchasing coal for the use of the navy by the instrumentality of two

coal agents, one for anthracite, the other for bituminous coal, with a compensation of five per cent. commission on the cost of purchase and transportation contracted for by the agent. There was also during Mr. Fillmore's administration a special agency for supplying with coal the East India and Pacific squadrons during the Japan Expedition. Messrs. Howland & Aspinwall, of New York, were the special agents employed by Mr. Graham, Secretary of the Navy, under an agreement of the date of April 3, 1852, by which they were allowed ten per cent. commissions on the purchase money, cost of transportation, insurance, and other unavoidable expenses, deducting therefrom the commissions allowed the agents for supplying coal within the United States. This agreement was modified by Mr. Dobbin on the 11th of August, 1853, by which, after the 1st of September following, the agents were to ship not exceeding one thousand bushels per month, the department agreeing to pay the cost of the coal, lighterage, cartage, freight, primage and demurrage, and a commission of six per cent. on the cost of the coal, including freight or transportation. Their commissions under this agency in the years 1852, 1853, and 1854, amounted to $50,975 86, while the commissions of all other coal agents for supplying our steam vessels-of-war with coal during the whole period from 1850 to the present time, amounted only to the sum of $19,851 59, and for supplying the navy yards to the further sum of $18,358 47. This special agency was abolished by Mr. Dobbin in 1854. There has been no other change in the system except only that, in pursuance of the policy expressed in the act of Congress of September 28, 1850, of giving preference to American productions. I have caused anthracite coal to be sent from Pennsylvania mines, by American vessels chartered by the department, and without any special agency, to the East Indies, Pacific, and all other foreign stations where it could be delivered at no greater cost than that of foreign coal delivered at the same place. This has caused an increase of purchases of coal in this country, but it has proved most decidedly an economical and beneficial improvement, as will appear by detailed returns which are now probably before the committee, securing, without any increase of cost to the government, what is deemed the best coal in the world for war steamers—the anthracite coal of Pennsylvania. No change has been made in the bituminous coal agency, nor in that for anthracite, except that the former agent, Mr. Tyson, at the end of four years from his appointment, was succeeded by Mr. Hunter, the present agent, whom I appointed in May last upon the most reliable recommendations, leaving him to the discharge of his duty upon his own responsibility. I was not aware until the present investigation, that he had employed another person to aid him, allowing him to share in his commissions as his predecessor had done, nor of any want of attention on his part. It was well known to the department that the navy was supplied with coal of the best kind and quality for naval purposes at less cost than formerly, at what was deemed in the bureaus reasonable prices, and that the bills passed under the inspection and required the approval of the most faithful and vigilant officers of the government, who were in the constant practice of instituting inquiries into the reasonableness of prices, and of refusing pay-

ment when they were excessive. It is not now the opinion of the bureaus, after full inquiry, that the price paid, $3 85 per ton of the best anthracite coal for steam purposes, screened, selected, and delivered at the vessel in Philadelphia, has been excessive or unreasonable.

The department has at all times left both these agents for the purchase of coal perfectly free in the discharge of their duty upon their own responsibility, with such assistance as they might choose to employ at their own expense, subject only to the checks which exist on shipboard and at the naval stations, where it is the duty of the proper officer to report any deficiency in quantity or quality, and also to the constant supervision of the chiefs of the bureaus, under whose orders the purchases are made, and by whom the bills must be examined and approved before they can be passed. Both these high officers enjoy my entire confidence; confidence not only in their capacity, but in their vigilance and uprightness.

I should be very willing to give full details of the action of the department in reference to the navy yards and to the contracts for steam machinery for vessels-of-war, but as no evidence has been transmitted to me on those subjects, I shall content myself with a brief general statement

The system by which the navy yards are managed is the same which I found established when I came into office, with some improvements. The commandant of the yard is responsible for its general condition. It is his duty to correct or report any abuse which may come to his knowledge. He receives all orders from the department, and is authorized to use the proper means to execute them. If an order is given that a vessel be built or repaired, or other work done, he directs the employment of the men, and fixes the number to be employed, without interference by the department. He is authorized and required to dismiss any workman, and to report any master for neglect or misconduct. When a master is thus reported to the department an investigation is ordered, he is notified, witnesses are examined, and the testimony returned to the department for its action. The master has the selection of the men, subject to the approval of superior officers, and is held responsible for them and the work done by them, under his charge, and has therefore authority to dismiss them. This system of responsibility is found to work well in the navy yards generally, although there is greater difficulty and embarrassment in the Brooklyn yard from the superabundant population of the great adjacent cities pressing for employment, and resorting to all legitimate means to obtain it. This difficulty will not be obviated by any system that can be adopted. Men must be employed; they must come from the neighboring congressional districts; they must be selected by some one: they should be selected by the master workman, who is responsible for them, subject, indeed, to proper restrictions and supervision; and this master workman must always feel and have to contend with the presence of vast numbers seeking employment and especially during periods of commercial distress. He is also exposed to the accusations of dismissed and disappointed workmen, and to the scrutiny of vigilant competitors seeking his place, and if there be any well founded charge against him, it is quite sure to be made known to the officer whose duty it is to inquire. There has been no report against any master workman of any of the Atlantic navy yards since I have been in the department, except in five cases; one for alleged misconduct several years ago, which was fully investigated by my predecessor; one for intoxication, which has been investigated and followed by a new appointment; one for temporary insanity, where the master was afterwards restored upon his recovery and producing a certificate from his physician that it would not be likely to recur; and the other two cases recently for neglect of duty, which have been investigated, and the returns having just come in will soon be disposed of. These are the only instances of charges presented to the department, and if there be any presented to the committee which have not been preferred to the commandant of the navy yard, and opportunity given to the parties implicated to defend themselves, it is at least very doubtful whether such charges can be or ought to be sustained; at all events, neither the department nor the officers of the yard have had any knowledge of them. There has been an increase of the number of men employed, but it has taken place simultaneously in all the yards, and for the reasons already stated—the increased activity of the service, the expedition to the neighborhood of Cuba, the expedition to Paraguay, the construction of eight new steamers "as speedily as might be consistent with the public interests." in obedience to the injunctions of Congress. There is one instance where the bureau has been induced to depart from the general rule of non-interference with the number of men to be employed, and that was in the navy yard at Philadelphia, to an inconsiderable extent in useful work, upon the urgent plea of necessity, humanity, and utility, pressed by a gentleman of high and honorable character, incapable of falsehood.

The course of the department in reference to contracts for steam machinery for vessels-

of-war has been to prescribe certain conditions, advertise for plans and proposals subject to such conditions, and award the contracts according to the merits of such plans and proposals, having due regard to price. They cannot, from the nature of the case, be awarded to the lowest bidder, having reference to the price only, because no two persons bid for the same thing, each plan being different from the others, and it being the object of the government to obtain the result of the highest skill. The bids are given under seal; are not opened until the time for receiving them has expired; and, of course, no one can know what they contain, except the party himself and those to whom he may communicate it. A board of engineers is appointed, and each is required to give his individual opinion and his reasons for it. Often they are unanimous; sometimes there is a single dissenting opinion; and sometimes they are equally divided. I have in no case, that I am aware of, awarded a contract in opposition to the opinion of a majority, although I should feel at liberty to do so. The contract given to Messrs. Merrick & Sons, of Philadelphia, in regard to which a letter from Colonel Patterson to the President was by him in the usual course, without an intimation of any wish on his part, referred to this department, was awarded to them upon the merits of their plan and proposals—in accordance with the unanimous opinion of the board of engineers—their bid being lower than those of the other bidders whose plans were approved. The President did not in any manner interfere in this case, nor has he in any other case of contract since I have been in the department. In all the contracts made under the act of the last session, the department obtained an absolute guaranty of the number of revolutions of the propeller in a minute; instead of the usual number of about forty, the contractors guaranty eighty, and in one instance a hundred. In one contract—that for the vessel under construction at Norfolk—awarded to Messrs. Murray & Hazlehurst, of Baltimore, there is a guaranty of the speed of fifteen statute miles an hour, under a forfeiture of twelve thousand five hundred dollars, to be deducted from the price if the speed fall to fourteen miles per hour, and half that sum if it fall to fourteen and a half miles.

In the contract for the vessel at Philadelphia, awarded to Messrs. Reaney, Neafie & Co., there is a guaranty, not only for one hundred revolutions of the propeller per minute, but also for the speed of sixteen statute miles per hour, under the forfeiture of fifteen thousand dollars, to be deducted from the price if the speed fall to fifteen miles per hour, and half that sum if it fall to fifteen and a half miles. A more stringent and advantageous contract for the government has not been made.

The awarding of this contract having been the subject of comment, I will take the occasion to say that the charge made against a very competent and faithful officer, the engineer-in-chief, by an excited and interested party, was fully investigated by me and found to be without the slightest foundation, except in a misapprehension of that party, fully explained, and that the contract was awarded to the lowest price, to the best guaranty, to the highest experience in the construction of marine engines against no experience at all, and in accordance with the opinion of a majority of the engineers whom I consulted on the subject.

I have the honor to be, sir, very respectfully, your obedient servant,

ISAAC TOUCEY,
Secretary of the Navy.

Hon. JOHN SHERMAN,
Chairman Committee Investigation, &c., House of Representatives.

"Governor Toucey is an able man, of unimpeachable character, long tried in public service, cautious and circumspect in all the relations of life, and precisely the person we should select to meet and overwhelm the calumnies of partisan warfare.

"The committee of investigation was suggested by the opposition, and constituted, by the appointment of the Speaker, of a majority opposed to the administration, whose official conduct they were charged to examine and report upon. We do not criticise the policy which controlled the appointment. So far as the Secretary of the Navy is concerned, it was perhaps the wiser course to intrust the investigation to the opposition. Nobody believed that the personal and official integrity of that gentleman could be impeached; and none who knew of his high qualifications and experience thought for a moment that any serious mistakes could be rightly laid to his charge.

"After a laborious and minute inquiry into the management of the Navy Department, and an unprecedented search for private and public communications, the committee made a report exonerating Governor Toucey from every charge of improper or unfaithful conduct. We might here rest the case; but it is due to the public and to the cause of truth that a few leading facts connected with it should be laid before the country. The investigation originated with the opposition. It was intended by it to effect partisan objects. It was not a legislative undertaking in any just sense. There was not a single man in Congress who believed that the Secretary of the Navy had either neglected his duties as a public officer or been identified in any manner with schemes to defraud the government.

There was not a man in Congress, in our judgment, who believed that any unusual transactions injurious to the government had taken place within the jurisdiction of the Navy Department. It so happened that Governor Toucey was a prominent statesman of Connecticut, commanding justly the confidence of the people of that commonwealth; and as the signs were as numerous as the stars in the heavens that republicanism was on the wane there, an effort was made to discredit him and the democratic party by exposing all the petty mismanagement which years have entailed in one of the leading departments of the government. Well, the work was commenced, as we have said, by the reference of the whole subject, with plenary powers, to a committee, a majority of which was composed of enemies of the administration and the democratic party.

"An investigation followed, the record of which covers 1,216 octavo pages; on page 53 of the first part of which a *majority* of the committee resolve, 'That nothing has been proven in this investigation which impeaches, in any way, the personal or official integrity of the Secretary of the Navy.'

"A strong effort was made to convict the department of improper conduct in executing contracts for the delivery of live-oak timber for the different yards; and the minority of the committee have seized upon those transactions, and by violent inferences and direct misrepresentations have sought to fasten upon the Secretary the charge of special favoritism towards Mr. Swift who undertook to deliver the supplies. It will be remembered that on the 12th of June last Congress directed the construction of eight small steam vessels. From the commencement of that month great excitement existed in the country and in Congress on the subject of the search of our merchant vessels in the Cuban seas. The President, under special authority conferred upon him, had previously determined to send a large fleet to Paraguay. An unusual demand existed for vessels-of-war, and it was determined, as rapidly as possible, to press on the work of construction and repairs at the different yards. The government, under the old system of constructing frigates, had a limited supply of large timber; but such as was adapted to present wants, and such as might be required in the event of a difficulty with England, of small live-oak timber there was little, if any, on hand. On the 14th of June the Secretary of the Navy advertised for supplies; and required the delivery at an early period, as the circumstances demanded he should. The bidders, it seems, calculated upon obtaining more time, and fixed their rates accordingly. It turned out that they could not comply with the terms of their agreement, and they applied for an extension of time, which the Secretary refused. They then forfeited their contracts. The Secretary had a right at once to purchase in open market; but this he declined to do, and finally, on the offer of Mr. Swift, closed an agreement with him on the rates fixed by the first contract. Mr. Swift had a portion of the timber on hand, and this is arrayed by the minority as constructive evidence of improper collusion between the department and that gentleman. Some of the bidders testify that their offers were based upon the idea that they could get an extension of time; and the government is charged with fault in not granting such extension, though by doing so the witnesses themselves testify they would have secured an advantage in the price of the article.

"We have seen nothing in modern times to compare at all with the cool impudence of the minority report in this respect. It is argued elaborately that the fact that Mr. Swift had the ability to comply with his contract is all against his integrity and that of the department. It arrays an army of aggrieved parties who complain that the time limited in the advertisement for the delivery of the first instalment of timber was too short to suit their convenience. It does not follow this exhibit with the proof that the price paid was exorbitant; that it was more than others had demanded; that the government had suffered in the transaction. On the other hand, the inference from the testimony is that the government saved from twenty-five to thirty thousand dollars by the transaction complained of."